



Rule(s) Review Checklist Addendum
(This form must be filled out electronically.)

This form is to be used only if the rule(s) was/were previously reviewed, and has/have not been amended/repealed subsequent to that review.

All responses should be in **bold** format.

Document Reviewed (include title): **WAC 458-20-163**
Insurance companies, including surety companies, fraternal benefit societies, fraternal fire insurance associations, beneficiary corporations or societies and Washington state health insurance pool

Date last reviewed: **September 28, 1999**

Current Reviewer: **JoAnne Gordon**

Date current review completed: **March 7, 2002**

Is this document being reviewed at this time because of a taxpayer or association request? (If "YES", provide the name of the taxpayer/association and a brief explanation of the issues raised in the request). **YES** ☐ **NO** ☒

Type an "x" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

1. Briefly describe the subject matter of the rule(s):

WAC 458-20-163 identifies the applicable business and occupation (B&O) tax exemptions for insurance companies. It identifies those circumstances under which income derived from business activities other than the insurance business is subject to B&O tax. The rule also explains that the retailing or wholesaling B&O tax applies to sales of salvaged property unless the sale qualifies as casual or isolated as provided by WAC 458-20-106.

2. Related statutes, interpretive statements, court decisions, BTA decisions, and WTDs: (Excise Tax Advisories (ETAs), Property Tax Advisories (PTAs), Property Tax Bulletins (PTBs) and Audit Directives (ADs) are considered interpretive statements.)

YES	NO	
	X	Are there any statutory changes subsequent to the previous review of this rule that should be incorporated?
	X	Are there any interpretive statements not identified in the previous review of this rule that should be incorporated? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed



		form.)
	X	Are there any interpretive statements that should be repealed because the information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) subsequent to the previous review of this rule that provide information that should be incorporated into this rule?
	X	Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) subsequent to the previous review of this rule that provide information that should be incorporated into the rule?
	X	Are there any changes to the recommendations in the previous review of this rule with respect to any of the types of documents noted above? (An Ancillary Document Review Supplement should be completed if any changes are recommended with respect to an interpretive statement.)

If the answer is “yes” to any of the questions above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

No related statutes, interpretive statements, court decisions, BTA decisions, and WTDs have occurred subsequent to the previous review of WAC 458-20-163.

3. Additional information: Identify any additional issues (other than that noted above or in the previous review) that should **be** addressed or incorporated into the rule. Note here if you believe the rule can be rewritten and reorganized in a more clear and concise manner.

RCW 82.04.322 (1993 c 492 § 303) provides a business and occupation tax exemption for premiums or prepayments received by health maintenance organizations that are taxable under RCW 48.14.0201. The discussion in the current rule with respect to exemptions could be expanded to include this exemption.

Discussion in the current rule about the taxability of activities other than insurance business activities could be expanded to include a reference to WAC 458-20-134 (commercial or industrial) to reflect printing activities undertaken by insurance companies.

4. LISTING OF DOCUMENTS REVIEWED: The reviewer need identify only those documents that were not listed in the previous review of the rule(s). (Use “bullets” with any lists, and include documents discussed above. Citations to statutes, interpretive statements, and similar documents should include titles. Citations to Attorneys General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).)

Statute(s) Implemented:



RCW 82.04.322 Exemptions - Health maintenance organization, health care service contractor, certified health plan.

Interpretive statements (e.g., ETAs and PTAs): **None.**

Court Decisions: **None.**

Board of Tax Appeals Decisions (BTAs): **None.**

Administrative Decisions (e.g., WTDs): **None.**

Attorney General's Opinions (AGOs): **None.**

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):

RCW 48.14.0201 Premiums and prepayment tax - Health care services - State preemption

4. Review Recommendation:

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> | Amend |
| <input type="checkbox"/> | Repeal (Appropriate when repeal is not conditioned upon another rule-making action.) |
| <input checked="" type="checkbox"/> | Leave as is (Appropriate even if the recommendation is to incorporate the current information into another rule.) |
| <input type="checkbox"/> | Begin the rule-making process for possible revision. (Applies only when the Department has received a petition to revise a rule.) |

Explanation of recommendation: Provide a brief summary of your recommendation, whether the same as or different from the original review of the document(s). If this recommendation differs from that of the previous review, explain the basis for this difference.

If recommending that the rule be amended, be sure to note whether the basis for the recommendation is to:

- Correct inaccurate tax-reporting information now found in the current rule;
- Incorporate legislation;
- Consolidate information now available in other documents (e.g., ETAs, WTDs, court decisions); or



- Address issues not otherwise addressed in other documents (e.g., ETAs, WTDs, court decisions).

At this time, there is no need to revise the rule. At such time as the rule is revised, however, the drafter should incorporate discussion about RCW 82.04.322 (Exemptions - Health maintenance organization, health care service contractor, certified health plan) and a reference to WAC 458-20-134 (Commercial or industrial use).



5. Manager action: Date: _____

_____ Reviewed and accepted recommendation

Amendment priority:

_____ 1
_____ 2
_____ 3
_____ 4